

20 FEB 1997

## MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Admin Costs for Housing Leases

1. We have been asked to clarify when customers should be asked to fund administrative costs associated with leasing housing for service members. USACE is not funded to cover the cost of the lease, so it is always appropriate to request funds from the customer for this purpose, either through direct citation of funds, or via Military Interdepartmental Purchase request (MIPR). Administrative costs associated with the lease are funded based on the source of funds or the customer, as described below.

2. In general, the source of funds for the lease will determine who pays for the admin cost:

a. For Army housing leases, including recruiting, the customer must pay for admin if the lease is for family housing. This is because family housing leases are funded by the Army Family Housing (AFH) appropriation. On the other hand, unaccompanied (bachelor) housing leases are generally funded by OMA. In that case, our policy about new versus ongoing work applies: the customer pays the admin cost associated with establishing the original lease, and our BA4 account pays for lease management and renewal.

b. For Air Force leases, as with Army leases, the customer must pay for the lease itself. The MIPR provided by USAF is the appropriate account to use for admin cost associated with all leases, family or unaccompanied, with the exception of leases for recruiters. . For Air Force Recruiting housing leases, the Air Force Recruiting Service will pay all admin costs with a separate MIPR, whether for a new lease or a renewal.

c. For other DOD and non-DOD agencies, the customer must pay all administrative costs, both for new leases and subsequent management and renewals, unless USACE has an agreement with the customer which makes different arrangements.

3. Jerry Hartman, CERE-PR, is the point of contact for this policy. I encourage you to contact him if you have questions about the proper source of funding for a particular action.

FOR THE DIRECTOR:



KEVIN E. McNIFF  
Chief, Programs Division  
Directorate of Real Estate

CERE-P (1-1)

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